



SECTION 13

Other Budget Reports

Reports in this section are additional items required because of statutory provisions or because they provide data not included in the regular forms. These instructions apply only to agency budgets with the indicated funds or activities. Samples are shown here or at <http://www.ofm.wa.gov/budget/forms.asp>.

13.1 Non-budgeted local fund summaries

Non-budgeted local fund summaries (RCW 43.88.030(1)(f))

The Non-Budgeted Local Fund Summary is used to summarize financial data for non-budgeted (nonappropriated/nonallotted) local funds that are outside the state treasury. Data can be entered in an Excel spreadsheet available from OFM. This information will be displayed in the Governor's budget document.

Instructions:

- a) Narrative description: List, in account code number sequence, all non-budgeted local accounts within the agency. Include the full title of each account, a brief description of purpose and source of revenue, and the statutory authority.
- b) Summary Financial Statement: In addition to the narrative descriptions described above, prepare a summary financial statement of fund balances on the B10 format. List each non-budgeted local fund by fund-class sequence.

The fund balances shown for June 30, 2007 and June 30, 2009 should be reported on a modified GAAP basis (refer to Section 8.2).

13.2 State matching requirements for federal funding

State matching requirements for federal funding (RCW 43.88.090(1))

Agencies must provide a list of any state matching requirements for federal grants (both operating and capital budgets) they receive. Please include this information in your budget submittal in a table like the sample shown below. The data includes:

- The federal catalog number
- The activity inventory number for the most significant activity using the grant in the operating budget
- The grant amount shown by federal and state fiscal year.
- The state match amount required in each of four state fiscal years – 2006-2009.

AGENCY	Page	
	Code	Title
	XXX	ANY AGENCY

2007-09 FEDERAL FUNDING ESTIMATES SUMMARY

DATE: 7-6-06

CFDA NO.*	Agency/	Federal Fiscal Year	State Fiscal Year	State Match Amounts
Agency Total				
	FY 2006	6,459,857	6,502,000	175,000
	FY 2007	6,441,000	7,862,000	150,000
	FY 2008	6,925,000	8,485,000	175,000
	FY 2009	7,500,000	9,075,000	250,000
11.407 Department of Commerce Interjurisdictional Fisheries Act Activity # A102				
	FY 2006	5,000,000	4,500,000	50,000
	FY 2007	5,100,000	6,000,000	50,000
	FY 2008	5,500,000	6,500,000	50,000
	FY 2009	6,000,000	7,000,000	50,000
15.605 Department of Interior Sport Fish Restoration Act Activity # A105				
	FY 2006	945,000	1,438,000	125,000
	FY 2007	952,000	1,447,000	100,000
	FY 2008	975,000	1,550,000	125,000
	FY 2009	1,000,000	1,600,000	200,000

*Catalog of Federal Domestic Assistance

13.3 Central service agency charge information

OFM will determine the maintenance level increment for certain central service agency charges

OFM will determine the amount to add to each agency's maintenance level in 2007-09 for the central service agency charges listed below. The carry-forward level will reflect the changes to these charges made in the supplemental budget.

Administrative Hearings (Account 484) – The Office of Administrative Hearings uses this account for the provision of administrative hearings services to state agencies.

Archives and Records Management (Account 006) – This account is used for the archives and records management functions of the Office of the Secretary of State.

Auditing Services (Account 483) – This account is used by the State Auditor’s Office for the centralized funding, accounting, and distribution of auditing costs to state agencies.

Data Processing (Account 419-appropriated portion) DIS-Policy and Regulation Services – Agencies with significant information technology equipment and staff pay into this fund to support the cost of policy and oversight staff support to the Information Services Board (ISB). The ISB approves acquisitions, sets policy, and monitors projects for information technology statewide.

Financing Cost Recovery (Capital Lease Program Account 739) and Thurston County Capital Facilities (Account 289) – RCW 43.01.090, (Chapter 219, Laws of 1994) created two charges related to the construction, renovation, and occupancy of certain space owned and managed by the Department of General Administration (GA) in Thurston County. One of these charges is for financing cost recovery of construction or major renovation projects of such space, and the other is a capital project surcharge to cover some of the costs of ongoing capital projects. These are in addition to all existing facilities and services, seat of government, and Division of Facilities, Planning, and Management (DFPM) lease management charges.

General Administration Services (Account 422) - This account is used by the Department of General Administration to provide a variety of services to other state agencies. However, only services charged through the Facilities and Services billing are treated as an adjustment made by OFM. Agencies should plan to include increases for other GA services in their budget requests if they can't be absorbed.

Legal Services (Account 405) – RCW 43.10.150 created the Legal Services Revolving Fund for centralizing the funding and cost distribution of actual legal services provided to all state agencies.

Office of Minority and Women's Business Enterprises (Account 453) – This agency provides a standard certification of minority and women-owned and controlled businesses.

Agencies will verify the account split that OFM will use for the change



Agencies will verify the account split that OFM will use when making the incremental increase in these charges in the Governor’s budget. OFM will send this information to agencies for verification in the spring.

Notify service agencies about extraordinary service needs

Agencies that anticipate requiring an unusual or extraordinary level of service should contact the appropriate service agency to discuss the anticipated nature and scope of the need. This approach will enable service agencies to include an appropriate estimate and cost of the service to be provided to the agency.

Performance level change requests for these services must be in both client and provider agency budgets

If a client and service provider agency see a need to increase the type or utilization level of a service, both the client and provider agency must include a performance level request for this increase in their budget submittal. This is important to help OFM keep these requests synchronized in the budget.

Central service agencies must provide additional information

As part of their budget submittals, service agencies must provide an agency billing list for the current biennium and for the 2007-09 proposed budget. This list should include the estimated annual amounts to be charged each user agency, and, if a direct staff service, the FTE staff involved with each user agency. Also, each maintenance or performance level decision package must provide an example of the increased charges to small, medium, and large agencies. This will help OFM evaluate the cost implications of the decision package on other agencies. The total billing amount must be reconcilable to the agency's revenue estimate submitted in the budget.

OFM will provide a formatted spreadsheet to the central service agencies for their use in preparing this list.

Central service agency amounts are estimates

It should be noted that the central service agency amounts included in client agency budgets are estimates and the actual billings from the service agencies will be based on services rendered. It is expected that client agencies will pay these billings timely and in full as they would pay bills from other vendors.

Personnel Services charges are not included in the central services agency charges

Personnel Services charges are a fixed rate applied to an agency's classified salary base, and unlike the central service agency charges listed above, are not adjusted by OFM. These charges are used to fund many of the Department of Personnel's (DOP) services and are placed in the personnel service funds administered by DOP. Agencies who have classified positions under the jurisdiction of DOP must make payment to these funds. Agencies may be at the rates listed below or less. Agency budgets for the current biennium already assume these level of charges.

- Department of Personnel Service Account: *For the 2007-09 Biennium, agencies should use 0.7 percent (.007) per year of covered salaries and wages.*
- Higher Education Personnel Service Account: *For the 2007-09 Biennium, higher education agencies are to use 0.35 percent (.0035) per year of covered salaries and wages.*

13.4 Sixteen-year program and financial plans for transportation agencies

Who is required to submit sixteen-year program and financial plans?

Transportation agencies must prepare their budgets in the context of their strategic and financial plans. The administrator of each transportation fund must submit a financial plan that reflects the most current revenue and expenditure assumptions. The following agencies are required to submit a sixteen-year financial plan for the funds they administer:

- Department of Transportation
- Transportation Improvement Board
- Washington State Patrol
- Department of Licensing
- Traffic Safety Commission
- County Road Administration Board
- Board of Pilotage Commissioners
- Freight Mobility Strategic Investment Board
- Marine Employees' Commission
- Transportation Commission

Where to submit the financial plans

Submit financial plans to the state's designated transportation financial plan coordinator:

Jeff Caldwell, Transportation Funds Manager
 Department of Transportation
 Mail Stop 47400
 Telephone: (360) 704-6319
 Fax: (360) 705-6886
 E-mail: CaldweJ@wsdot.wa.gov

Submit only the sixteen-year financial plans to the coordinator. Other program plan information, financial plan assumptions, project lists, and budget information should be submitted directly to OFM.

Some agencies will submit plans to fund administrators instead

Agencies that have transportation budget appropriations out of treasury accounts they do not administer should submit their sixteen-year financial information through the administrators of the funds impacted by their plans. Use the Fund Reference Manual at OFM's website at <http://www.ofm.wa.gov/fund/default.asp> to find the designated fund administrator for each fund.

When are the plans due?

The sixteen-year plans are due on the same date that the agency budget is due. (Refer to Appendix A-1 for agency budget submittal dates.) The financial plan coordinator will compile the plans received from all the transportation agencies and submit them to OFM in September 2006.

Key financial plan milestones

Financial Plan Development Milestones:

- Following the **June 2006 revenue forecast**, the financial plan coordinator will contact agencies to discuss the basic assumptions that will be used to develop the 2007-09 budget and provide templates for the financial plan.
- **In August 2006**, the coordinator will organize a meeting to discuss final assumptions in preparation for budget submittals.
- Following the **September and November 2006 revenue forecasts**, the financial plan coordinator will update the financial plans submitted by agencies to reflect the most current revenue forecast and beginning account balance information. Plans will be sent back to the administering agency for review and comment.

What are the required components of the financial plan?

A financial plan details the financial requirements of a transportation agency's major capital and operating programs over a sixteen-year period. Expenditures are displayed mostly at the program level with decision packages displayed as separate line items. The Financial Plan Coordinator will send templates and more detailed instructions to agencies this spring. Here are the types of information that will be required in the sixteen-year plans.

- **Revenue estimates** by fund, major source and source for each account administered by the agency, including:
 - Information about adjustments not assumed in the budget but impacting the account balance
 - Bond fund cash flow plans
 - Any additional information related to program expenditures or revenues as the Legislature may direct by law.
- **Operating and capital expenditures:**
 - Operating expenditures shall be submitted at the program level.
 - Capital program expenditures submitted in the financial plan must balance with the capital project list submitted to OFM and the Legislature. Transportation agencies with capital programs must provide information at the project level directly into Transportation Executive Information System. The following items must be included in a capital agency's budget submittal:
 - A list of new projects
 - A list of deleted projects
 - A list of projects that supports the agency's re-appropriation request
 - A list of projects where the project identification number (PIN) has changed
 - A document describing any change in cost, scope, or schedule from the last project list approved by the Legislature.

- Provide, in a separate document, **assumptions that support the financial plan**, including:
 - Assumptions underlying the biennial beginning fund balance
 - Description of future biennia spending projections that are based on assumptions other than inflationary increases
 - Use of federal or private/local funds (and required state match)
 - Bond sale assumptions
 - A description of new revenues that are proposed above current law forecasts, the agency shall provide:
 - A discussion of the funding source
 - Forecast assumptions
 - Purpose of the new revenue.

What resources are available to help me develop my program and financial plan?

Jeff Caldwell, the Financial Plan Coordinator at WSDOT, is available to:

- Provide technical assistance
- Discuss financial plan assumptions
- Estimate debt service payments
- Forward final agency financial plans using TEIS to OFM and the Legislature.

Jeff can be reached at (360) 704-6319 or via e-mail at CaldweJ@wsdot.wa.gov.

13.5 Additional requirements for higher education agencies

Additional instructions will be sent to higher education agencies

OFM will send a separate instruction letter to higher education agencies this spring that will list additional information requirements that must be included in the budget submittal.

13.6 Puget Sound Conservation and Recovery Plan expenditures

Requirements for agencies which received Puget Sound Water Quality Work Plan related-funding for 2005-07

The Puget Sound Conservation and Recovery Plan guides water quality and biodiversity protection efforts of federal and state agencies, and local and tribal governments in the Puget Sound basin. As part of the budget development process, agencies will need to work closely with the Puget Sound Action Team staff and OFM regarding work plan expenditures.

All agencies that received funding to implement the 2005-07 work plan must submit a summary of all actual and estimated workplan expenditures for the 2005-07 Biennium to the Puget Sound Action Team by August 15, 2006. The expenditures should be summarized by work plan agency budget code and fund source.

Requirements for the 2007-09 budget

To aid the Action Team in preparing a budget request for the 2007-09 Biennium, agencies must also submit proposed 2007-09 Biennium work plan expenditures to the Action Team staff by September 1, 2006.

The Action Team will send instructions and forms to agencies

The Action Team staff will transmit specific budget codes, budget instructions and due dates, and electronic forms to agencies in early June 2006 for agencies to use in submitting 2005-07 estimated expenditures and proposed 2007-09 work plan actions.

13.7 Other budget reports and data



Updating agency descriptions

Agency descriptions and missions must be published as part of the budget document. We will send agencies a template in June that will contain the most recent agency description and mission statements. Agencies wishing to make changes should return the updated template to Laurie Lien at Laurie.Lien@ofm.wa.gov no later than their agency budget due date.

**Confirm updated
second-year
expenditure estimates**

In September, OFM will ask agencies to review and confirm our estimates of second-year (Fiscal Year 2007) expenditures and revenues. These estimates, along with Fiscal Year 2006 actual expenditures (as of CAFR Phase II), will be used for fund balancing for the 2007-09 budget proposal.

Rather than asking agencies to develop the estimates and submit them through BDS, OFM will develop expenditure estimates based on this formula:

Expenditure Authority - First Year Actuals - Reserve - Unallotted.

For General Fund-State appropriations, we will use the second-year allotments as estimates. We will also use allotments as the basis for revenue estimates. These calculated estimates will be sent to agencies for review in mid-September, shortly after CAFR Phase II close. Agencies will have approximately two weeks to review and confirm or modify the estimates. **Agency comment will be due to OFM by September 30.**

**Reports on Savings
Incentive Account
expenditures for each
fiscal year**

In September, OFM will send instructions to agencies requesting information on the use of the Savings Incentive Account allocations in Fiscal Year 2006. OFM is required by statute to report on the use of this funding by December 1 of each year.